



Affordable Care Act: Key Small Business Provisions

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The Portland District Office provides SBA programs and services to Oregon and Southwest Washington. Working with SBA resource partners around the community, we can help you start, grow and achieve success for your business.

For more information and other resources please see our Small Business Resource Guide:
www.sba.gov/sites/default/files/files/resourceguide_3140.pdf

Upcoming Provisions – 2014 and beyond

The Affordable Care Act (ACA) will help small businesses by lowering premium cost growth and increasing access to quality, affordable health insurance. If you're a small employer, the following are some of the ACA provisions that may apply.

Small Business Health Options Program (SHOP) and Individual Marketplaces

Coverage through the competitive health insurance marketplaces for individuals and small businesses will be in place January 1, 2014, with open enrollment beginning October 1, 2013. The Marketplaces, at www.healthcare.gov/marketplace will offer four levels of benefit packages that differ by the percentage of costs the health plan covers. Individuals and the self-employed may qualify for individual tax credits and subsidies on a sliding scale, based on income, through the Marketplaces.

Small businesses with generally 50 or fewer employees will have access to Marketplaces through the Small Business Health Options Program (SHOP) at www.healthcare.gov/marketplace/small-businesses. Currently, small businesses may pay on average 18% more than big businesses for health insurance because of administrative costs. SHOP will offer small businesses increased purchasing power to obtain a better choice of high-quality coverage at a lower cost. SHOP will also pool risks for small groups and reduce administrative complexity, thereby reducing costs. In 2016, employers with up to 100 employees will be able to participate in SHOP. Businesses can enroll starting on October 1, 2013 through their brokers or directly through the SHOP. Stay connected to the latest information on the Marketplaces by going to signup.healthcare.gov.

Employer Shared Responsibility Provisions

Employers are not required to provide coverage to their employees under the Affordable Care Act. However, beginning in 2015, employers with 50 or more full-time (or full-time equivalent) employees that do not offer affordable health insurance that provides minimum value to their full-time employees (and dependents) may be required to pay an assessment if at least one of their full-time employees is certified to receive a premium tax credit to purchase coverage in an individual Marketplace. A full-time employee is one who is employed an average of at least 30 hours per week. If a business meets the threshold level of 50 full-time or full-time equivalent employees, or is close to it, it's important to understand how these rules may apply and how the payment amounts could be calculated. Refer to this FAQ from the IRS, at www.irs.gov/uac/Newsroom/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act for more information.

Businesses with fewer than 50 full-time or full-time equivalent employees are generally not affected by the new Employer Shared Responsibility rules. These smaller employers do not have to pay an assessment if their full-time employees receive premium tax credits to purchase coverage in of the new Marketplaces.



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Health Insurance Coverage Reporting Requirements

Beginning in 2015, employers subject to the Employer Shared Responsibility rules must [provide the IRS with information](#) about full time employees' coverage under the health plans and the cost of benefits provided. Likewise, employers that sponsor self-insured plans must [submit reports](#) detailing information for each covered individual. The first of these reports must be filed in 2015. The IRS is expected to provide more information in the near future clarifying these rules.

90-Day Maximum Waiting Period

Beginning January 1, 2014, individuals who are eligible for health coverage will not have to wait more than 90 days to begin coverage. The IRS has provided [temporary guidance](#) on how employers should apply the 90-day rule and is expected to provide more information in the near future clarifying these rules.



Workplace Wellness Programs

The ACA creates new incentives to promote employer wellness programs and encourage opportunities to support healthier workplaces, www.healthcare.gov/news/factsheets/2012/11/wellness11202012a.html. Effective January 1, 2014, the maximum reward under a health-contingent wellness program will increase from 20 percent to 30 percent of the cost of health coverage, and the maximum reward for programs designed to prevent or reduce tobacco use will be as much as 50 percent. The Department of Labor is expected to provide more information in the near future clarifying these rules.

Additional Resources

The U.S. Small Business Administration's health care web page, www.sba.gov/healthcare, is dedicated to educating small business owners about the Affordable Care Act. This site will serve as a gateway for small business owners connecting them with information provided by SBA's federal partners responsible for implementing the law, including the U.S. Department of Health and Human Services.

Healthcare.gov is a web portal maintained by the U.S. Department of Health and Human Services. The small business site, at www.healthcare.gov/using-insurance/employers/small-business, includes information about the new health insurance Marketplaces, coverage options, and more. Businesses can stay connected to the latest information on the Marketplaces by signing up for text and email alerts at signup.healthcare.gov.

For a Glossary of key terms under the Affordable Care Act, visit www.healthcare.gov/glossary/.

IRS website includes summaries of tax-related ACA provisions, FAQs, and eligibility worksheets, visit www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions.

Employers can also refer to the Department of Labor's website for ACA-related information at www.dol.gov/ebsa/healthreform.

Find out more about Oregon's Healthcare Exchange at www.coveroregon.com.

Find out more about Washington's Healthcare Exchange at www.wahbexchange.org.